

2019

2020

Annual Report

of Financial Counselling Victoria



FCVic

Financial Counselling
Victoria Inc.

ACKNOWLEDGEMENT OF COUNTRY

Financial Counselling Victoria acknowledges the Aboriginal and Torres Strait Islander peoples as the Traditional Custodians of the lands on which we work and live, and recognise their continuing connection to land, water and culture. We acknowledge that sovereignty was never ceded.

We pay respect to ancestors and Elders, past, present and emerging.

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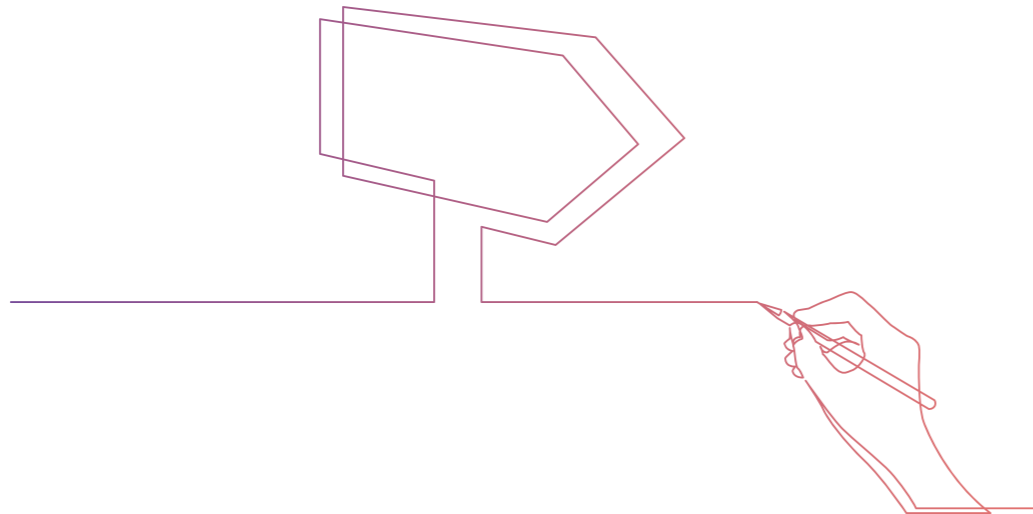


Financial Counselling Victoria acknowledges the support of the Victorian Government.

FCRC becomes FCVic

The Financial & Consumer Rights Council (FCRC) is now known as Financial Counselling Victoria (FCVic)

Our new name, adopted by our members at our 2019 AGM, provides a clear representation of our role as the peak body for Victorian financial counsellors.



We are a non-profit organisation whose purpose is to:

- > Advocate for vulnerable Victorian consumers who are experiencing financial difficulty
- > Support the financial counselling sector through its casework, advocacy and law reform
- > Adopt and maintain best industry practice.

Financial counsellors provide free and independent advice and advocacy for people on low-incomes, in debt, or when financial circumstances change, putting individuals and families in financial hardship. Loss of employment, marriage breakdown, natural disasters and the easy availability of credit are some of the common reasons people seek assistance.

FCVic supports financial counsellors by providing training and professional development and sets the standards for the profession in Victoria. FCVic also provides a voice for Victorians in financial hardship and works across a range of industries, including banking, utilities and telecommunications.

CHAIRPERSON'S REPORT

As Chair, I want to acknowledge that for the communities in which we live and work this has been a year of loss and anguish, both financial and mental. First came the horror bushfires that devastated rural communities, and then in the midst of this came the coronavirus pandemic. The year is not over yet, but I can definitely say this has been an *annus horribilis*, and as such, it has not been business as usual for FCVic or our sector.

FCVic has – on top of its usual activities – risen to the challenge and successfully engaged with Government to be part of the response to both crises. In just a short time, FCVic has grown from an organisation with an annual revenue of \$750k to \$1.4 million.

With the adoption of the new constitution at last year's Annual General Meeting, the FCVic Board and staff have been overhauling policies to support and complement the new constitution.

FCVic has sought to support the sector through the recommendations of the *Counting the Costs* report on the levels of stress and work overload in the sector, published in February 2020. We have also reflected on our organisation's 40-year history; however, the official launch of our history book has been delayed due to COVID-19.

So much has happened so quickly. Here are some of the highlights:

Bushfire response

- > Inclusion of financial counselling in the case support response design by the Department of Health and Human Services (and later Bushfire Recovery Victoria)
- > State Government funding for FCVic, recognising its peak body role
- > Delivery of professional networking and training to build relationships and recognition in new areas; strong support for bushfire financial counselling agencies
- > Development of tools and supports for financial counsellors involved in disaster recovery, including development of a volunteer guide to help manage future response

COVID-19 response

- > New contracts in mental health, energy, tenancy announced in May

Carers state-wide partnership

- > Launch and pivot of project with Carers Victoria
- > Collaboration with other partnership grant recipients; expanding relationships and intersecting with a developing relationship with Neighbourhood Houses Victoria

Elder Abuse project

- › Collaboration with Elder Abuse Prevention Networks across the state, building awareness and understanding of financial counselling sector

Partnerships/collaborations

- › Memoranda of Understanding signed with RMIT & State Trustees
- › Continued partnership with Social Security Rights Victoria; launch of report on 1st year of Integrated Services Project, demonstrating excellent outcomes from independent evaluation
- › Healthier Wealthier Families project – advisory group member
- › LUCRF Super project reference group; project piloting financial counselling services for industry super fund members

Advocacy

- › Utility Relief Grant Scheme reform and backlog issues
- › Submission to Fines Reform Advisory Board on Work & Development Permits
- › 'Raise the Rate' campaign (through Centrelink Working Group)
- › Engagement with Corrections Victoria around service delivery in prisons
- › Engagement with Family Safety Victoria CEO and Director of Workplace Excellence

At the time of writing this, Board members Lisa Garlick and Joanne McMahon-Hide have indicated that they will not be seeking re-election to the FCVic Board, concluding their terms at this year's Annual General Meeting. I would like to thank them both for their work on the Board and Professional Standards Committee (PSC), and for Lisa's substantial contribution as Chair of the PSC.



COLIN HARTE
Chairperson, FCVic

TREASURER'S REPORT

The 2020 financial statements show a modest surplus of \$17,502 and a sound asset position for FCVic. That is a comforting position, but as is often the case several factors underlie the disclosed position. Much of the larger than usual cash balances are from State Government funding received in advance for a project that has now started relating to how financial counsellors and carers can work more effectively for people being cared for. The 2020 result has been adversely impacted by extra costs to coordinate financial counselling efforts around the summer bushfires, additional resources in the office and the cost of changing work practices due to COVID-19, and a required change in accounting for leases of office space. Offsetting these is Federal COVID-19 relief of \$74,743.

Looking forward, the 2021 financial year will be a challenge in meeting the COVID-19-caused higher cost of delivering our services to members and in not having the substantial surplus from the annual conference. However ongoing Federal COVID-19 support will offset some of those losses. A careful budget has been agreed for 2021 and all indications are that FCVic will make it through 2021 soundly.

Improved financial management, e.g. changed budgets and reporting processes, has been implemented to better manage the increasing number of special projects FCVic now undertakes in addition to its core purpose of working for the benefit of members. Membership fees account for only 7.2% of our revenue so additional funding from government, the covering of part of our overhead costs by the additional projects, and usually the surplus for the conference, ensures costs are covered.

In addition, significant work has been done on risk management with the Board looking at: what risks matter to FCVic, our risk appetite, and how these risks can be managed. This work is ongoing, as is work to identify and improve financial management and controls policies.

I express my appreciation to Sandy Ross, and his team, particularly our accountant/bookkeeper Ron Rowley, and Max Smart, the Board representative on the Finance & Risk Committee, for their great efforts in finance and risk management during 2019-2020.

DAVID BALCOMBE
Treasurer, FCVic

EXECUTIVE OFFICER'S REPORT

Looking back and reflecting on the 2019-20 year from the vantage point of a world transformed by the COVID-19 pandemic is a strange process. Even before the pandemic, we had been in a transformation process of some significance, though it seems strangely easy to forget. At the start of July 2019 we were still known as Financial and Consumer Rights Council (FCRC) and operating under an old constitution that reflected the needs and history of a much smaller and less professionalised organisation, going back to before professionalisation of financial counselling. In October, members voted to adopt a new constitution and our new name Financial Counselling Victoria (FCVic) – the culmination of 18 months hard work by the constitutional review committee established by the Board in 2018.

During the year, two significant publications were researched and published – a history of our organisation, written by FCVic's James Degenhardt, and the *Counting the Costs* report into stress and wellbeing of financial counsellors. The history was due to be launched at an event in mid-March but the event was derailed by the start of public health measures; we are still hoping to re-schedule a launch once out of lockdown.

The *Counting the Costs* report was launched in early February, and it has provided us with a crucial base of information to advocate for improvements in how the sector operates. This is essential to start addressing some endemic problems posed by heavy demand for crisis case management on a sector that is much too small to cope without putting unacceptable health and wellbeing costs onto financial counsellors. As demand has dropped due to early stage measures to address the pandemic, we have seen these pressures lift to some degree, but the impending economic crisis and an almost certain associated demand spike are casting a pall over the sector.

In December/January the emergency/disaster work began with the bushfires (followed in March by COVID-19). Within FCVic, the fires triggered strong institutional memories across our membership of the 2009 Black Saturday fires, and have made it imperative that we use the hard-won learning from those events in the new situation. Responding to the fires with effective financial counselling supports, integrated with other supports has been challenging, mainly because the sector is so small and lacks capacity to respond quickly and easily. Apart from supporting financial counsellors and agencies in their response, a crucial element of FCVic's involvement has been to try and train and support other services to understand what financial counselling is, and how to work with financial counsellors effectively.

This building of awareness/understanding of financial counselling is a characteristic of a range of project work FCVic has undertaken – and as recognition of our sector has lifted, so has the funding for undertaking such work in a range of settings. Over the year, we continued work of this type in relation to elder abuse (funded by the Department of Health & Human Services (DHHS)) and with Social Security Rights Victoria (funded by a grant from the Federation of Community Legal Centres); we also received a significant three-year partnership grant to do this work in relation to carer cohorts with Carers Victoria (from DHHS), and in the pandemic context in relation to mental health (again from DHHS). Alongside this came smaller amounts of funding from Department of Justice and Community Safety to support financial counselling in relation to family violence and tenants' rights, and from the Department of Environment, Land, Water and Planning (DELWP) in relation to energy hardship.

This has begun to drive some expansion in the size of our organisation, with our budget and staff starting to increase in a process that will see us double in size in the next year, though this is based on short-term contracts and likely to be temporary. However, these contracts reflect a shift in awareness of and regard for the sector, and will enable us to build further on this shift.



At the end of this tumultuous year, it has become apparent that COVID-19 is driving massive social and economic change. Financial counsellors, like many other workers, have shifted to working distantly from clients – largely by phone. FCVic's relationship with members has changed too, with in-face professional development sessions and meetings of networks and working groups no longer being held. On the positive side, we have seen an expansion of video meetings, and this has enabled equal access for all, no matter where they are based. It has been wonderful to see regional members – too often denied access to meetings and training due to distance – put onto the same footing as participants with other members. The coming year will have many challenges for us all, but maintaining the pandemic high levels of member engagement and participation will be crucial for FCVic, as everything else we do is built on this.

I would like to thank the amazing staff team at FCVic, who are deeply committed to supporting financial counsellors, do great work and are a pleasure to have as colleagues. Also, my thanks to the Board who are as dedicated as they are unsung and do so much to make this organisation relevant and effective. Beyond the Board, last but not least, I want to thank our active members whose engagement in networks and working groups and ad hoc consultations is always inspiring and essential to keeping the show on the road.

DR SANDY ROSS
Executive Officer

OUR PEOPLE

FCVIC BOARD

Chairperson

Julie Barrow (until Oct 2019)
Colin Harte

Deputy Chair

Carly Baker

Secretary

Cathy Clark

Treasurer

Mark Phillips (until Oct 2019)
David Balcombe

FCVIC STAFF

Executive Officer

Dr Sandy Ross

Executive Assistant

Kate Meakin (until Feb 2020)
Vicki Burke

Training Manager

Tanja Haeusler

Advocacy & Campaigns Manager

Lyn Dundon

Membership & Communications

James Degenhardt

Accounts

Ron Rowley

Conference Coordinator

Melanie Keenan

Board members

Heather Barclay (until Oct 2019)
Lisa Garlick
Tracey Grinter
Jennifer Holdstock (Co-opted member)
Joanne McMahon-Hide
Norm McMurray (Co-opted member)
Max Smart

Board sub-committees

Finance & Risk Committee
(EO) Performance & Remuneration Committee
Professional Standards Committee
Working Groups Committee

Special Projects Lead

Dr Suzy Goldsmith

Project Officer

Georgia Robenstone

Family Violence Project Worker

Donna Letchford

Elder Abuse Project Lead

Bernadette Pasco (until Jan 2020)

Bushfire Disaster Response Project Worker

Annette Lumsden

Bushfire Disaster Response Project Consultants

Beverly Kliger
Meredith Carter

Counting the Costs Researcher & Author

Polly Bennett



OUR WORK

Projects

FCVic & SSRV Integrated Services Project
Elder Abuse Project
Bushfire Disaster Response Project
Counting the Costs report
Carers Statewide Partnership with Carers Victoria

Submissions

Mental Health Royal Commission
Fines Review Advisory Board
Local Government Rating System Review
Raise the Rate campaign
Utility Relief Grants Scheme reform
Senate Inquiry into adequacy of Newstart (Centrelink Working Group)

Consultations & Collaborations

Economic Abuse Reference Group
Healthier Wealthier Families Reference Group
LUCRF Super Financial Counselling Pilot Project Reference Group
RMIT Industry Advisory Committee
Stop the Debt Trap Alliance
Treating Families Fairly Alliance

FCVic Strategic

Plan 2019-2022

WHAT

Recognition

Advocate for sector alongside system advocacy from sector

Develop existing and new collaborations with other sectors

Develop and deploy advocacy and training resources focused on building an understanding of role of financial counsellors

Professionalism

Ensure qualifications, training and CPD are up to date, relevant and of a high standard

Develop a strong professional culture in the sector

Play a leadership role in the development of national standards

Sector Sustainability

Develop work roles, management and professional supports to ensure workplace wellbeing of financial counsellors

Encourage diversity in the sector, developing networks, communities of practice and integrated service models to reach diverse client groups

Balance sector expansion with maintaining professional standards

Governance

Support members and sector through relevant and engaging organisational structures and advocacy

Develop strong member ownership of FcVic through access and engagement

Appoint skilled staff, skilled Board members and provide development paths for emerging membership leaders

HOW



Empower clients to resolve financial and linked life issues



Contribute to a fairer society with greater economic inclusion



Reduce indebtedness and hardship, and associated harms to mental health



Improve industry practices and treatment of vulnerable consumers



Achieve systemic reforms to protect and enhance the lives of vulnerable people

WHY

At the time of developing this plan, the financial counselling sector is on a journey towards significant expansion and recognition for its importance and value, while at the same time struggling to meet demand and provide practitioners with sustainable work roles. The key strategic challenge for FcVic is to be outward looking and expansionist, while at the same time improving practice standards and protecting practitioners from trauma, stress and burnout.

WORKING GROUPS



Working groups connect financial counsellors with FCVic's advocacy work, linking casework and policy. The groups consist of FCVic members, however, relevant professionals are regularly involved on an invitational basis.

Not only can group members make a difference to systemic issues, but working groups offer the chance to develop new skills and gain valuable experience, not to mention excellent networking opportunities with other FCs, industry and government representatives.

At the end of the 2019/20 financial year, there were four FCVic working groups, each of which operates within their own terms of reference. These groups are:

- > Bankruptcy
- > Centrelink
- > Gambling Issues
- > Infringements (joint working group)

The Utilities Working Group was re-established in July 2020.

BANKRUPTCY WORKING GROUP

Ian Liddell, Convenor

With three meetings scheduled for the last part of 2019 and meetings for 2020 on hold pending a new direction from the Australian Financial Security Authority (AFSA) and the restrictions occurring as a result of the COVID-19 pandemic, the group had a mixed result in supporting on-going training and dissemination of updates on bankruptcy matters to FCVic members.

The most important change that occurred during this time was the commencement of a new online format of a combined Debtors Petition and Statement of Affairs that activated on the 2 January 2020.

With most financial counsellors using a hard copy form when providing bankruptcy information and advice to clients, the challenge was to obtain a hard copy from AFSA. As convenor of this group I was invited to join with Financial Counselling Australia (FCA) and AFSA to work on a solution. Forms were quickly made available on both the FCA and FCVic websites for members and, as requested, AFSA also mailed out hard copies to financial counsellors around Australia.

As a result of COVID-19 and the shutting down of many businesses there were temporary amendments to Bankruptcy law to change the structure and process of issuing Bankruptcy notices.

The debt threshold for individuals was increased from \$5,000 to \$20,000, and the timeframe for a debtor to respond was increased from 21 days to six months, before a creditor can commence bankruptcy proceedings. The changes were initially in place for six months, but have since been extended until the end of the year.

General discussion amongst members and sector stakeholders is that we would like to retain at least the \$20,000 threshold moving into the future.

AFSA introduced a new structure nationally to provide information and share changes occurring in the sector. In Victoria, the FCVic Board delegated the Bankruptcy Working Group as the party to meet with AFSA. The first meeting held with AFSA was held in April.

At the July 2020 meeting, I stood down as convenor but will remain an active group member. I wish to thank the members of the group who continue to be both active and passionate within our sector on Bankruptcy issues. I welcome Carmel Vivian as the new convenor.

CENTRELINK WORKING GROUP

Liz Stary, Convenor

In the past 12 months, there has been an incredible amount of changes and issues arise in the Centrelink space. It really has proved to be an exciting time to be involved in the Working Group, as we have seen dramatic changes and reversals by the Government, increases in payments and refunds of money!

Raise the Rate

We continued our work on the campaign, started last year, to "Raise the Rate" of Newstart (and other allowances). With support from Financial Counselling Australia (FCA), the Working Group was able to publish the important survey data we collected from Victorian financial counsellors last February to May in a report, *"The Experience of (Not) Living on Newstart: Data and stories from financial counselling clients,"* which was released in October.

The findings of this report contributed to a submission to the Federal Senate Inquiry into the Adequacy of Newstart and Other Allowances led by FCA. Furthermore, in November, we received a request for an interview on ABC Radio regarding our survey results and report. Myself and a Newstart recipient I had been working with were interviewed on Radio National's *The Money*. The detailed program included a range of discussions on *"Inequality and Poverty in Australia"*.

Following this, the group decided that further data should be collected, and a few months were spent refining and streamlining the survey. Just as we had finalised our more polished version of the survey, the coronavirus pandemic reached Australia. In what seemed like no time at all, the Federal Government put in place a sweeping range of temporary changes to social security – introducing JobKeeper payments, and significantly increasing the JobSeeker allowance with the coronavirus supplements, stimulus payments, changing assets tests for new applications, suspending job seeking activities, pandemic leave payments, and so on. The endless fight to 'raise the rate' seemed to disappear overnight when these changes exceeded our expectations of what an increase would look like.

Keep the Rate

Whilst many financial counselling services had to change their service delivery due to the enforced restrictions and staff working from home, it appeared that many clients no longer needed the same level of support from financial counselling services as they began receiving significant increases to their social security payments. They were finally able to afford essentials such as sufficient food, medication, utilities and bills. However, these changes are only temporary and both JobKeeper and JobSeeker payments will see a significant reduction of \$300 per fortnight from the end of September.

This led our group to campaign to 'Keep the Rate,' and we asked financial counsellors to write to Federal Members of Parliament advising them of the positive changes the coronavirus supplement had made to people's daily lives. In our final part of this campaign, the Working Group will meet with the Shadow Minister for Government Services Bill Shorten in September.

As our state has had the heaviest restrictions, with many people losing employment and the closure of businesses, a reduction in payment rates will result in Victorians again going without essentials, and other risks to housing and increased homelessness.

Centrelink Robodebt

After years of condemning the Centrelink Robodebt scheme as a harsh and unfair system, in September 2019 Gordon Legal announced they would be launching a class action lawsuit against the Federal Government for the Centrelink Robodebt. A couple of weeks later, the Working Group met with Peter Gordon and Principal Lawyer James Naughton to discuss the terms of the class action and the responses and requests from the public.

In November, Victoria Legal Aid assisted Deanna Amato to bring a successful legal challenge against Robodebt with the Federal Court ruling the debt was

unlawful. Not long thereafter, Centrelink started to make some significant changes to stop relying on the automated system as evidence of a debt. This scheme has brought so much stress and grief to many people, and the case resulted in the government freezing some debts.

In May 2020 came the incredible announcement from Minister Stuart Robert that the Government would agree to refund 470,000 Centrelink debts worth \$721 million. In July, the Government started to refund money for the unlawful Centrelink debts. We now anxiously await the class action trial.

Centrelink office closures

In May this year, amid the pandemic, Centrelink closed the Abbotsford office with less than 36 hours' notice to staff and customers. Yarra Council took quick action in opposing the closure and rallying community support. At the June Working Group meeting, Adam Bandt, Federal Leader of the Greens Party, and Shirin Sethna, Community and Campaigns Advisor from the Greens office, attended and discussed the closure, as well as other Centrelink issues and campaign strategies. FCVic joined the calls to reopen the office, and in August we received the news that the Government had decided to keep the office in its current location for the next six months, and thus provide more time to secure a longer term future for the local community.

DSP toolkit

In August, Dermott Williams from Social Security Rights Victoria (SSRV) presented the Disability Support Pension (DSP) Toolkit. The new online tool aims to assist people making applications for DSP who have encountered barriers to the process.

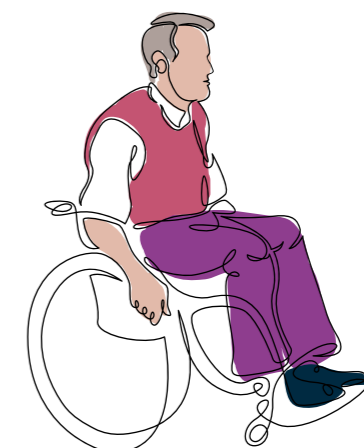
Other significant Centrelink issues discussed include:

- > Centrepay and consumer leases
- > Appealing Centrelink debts
- > Early access to superannuation via mygov under COVID-19 changes
- > Childcare debts particularly in relation to South Sudanese community
- > ParentsNext program and implications on single parents

Thank you:

We thank the supporters of the Centrelink Working Group for their contributions and wisdom throughout the year. Our partner organisations and people including:

- > Fiona Guthrie and Liz Minter – Financial Counselling Australia
- > Len Jaffit and Graham Wells – Victoria Legal Aid
- > Alycia Gawthorne, Katherine Temple, Tom Abourizk and Patrick Sloyan – Consumer Action Law Centre
- > Bryn Overend, Elizabeth Divers, Gillian Wilks, Karl Schaffarczyk, Peter Horbury and Patricia Bove – Social Security Rights Victoria
- > Jacqui Ng and Jenny Davidson – Council for Single Mothers and their Children
- > John Berrill and Tom Cobban – Berrill & Watson Lawyers



GAMBLING ISSUES WORKING GROUP

Sarah Davidson, Convenor

The purpose of the Gambling Issues Working Group is to develop and engage in systemic advocacy in support of financial counselling clients experiencing vulnerability and hardship related to gambling and to provide peer and professional support to financial counsellors through the development of a broad based community of practice.

There was a changeover in Convenor and Secretary in this group in late 2019. Time was spent in the second half of 2019 focusing around providing input into the Mental Health Royal Commission and hearing from guest speakers around topics such as:

- › how to frame stories for media assistance – Danny Tran, ABC
- › national work being done in the gambling space – Lauren Levin, Financial Counselling Australia

The group was invited to present at the Victorian Responsible Gambling Foundation Gambling Harm Conference, which was unfortunately cancelled due to COVID-19.

We started 2020 strong with a revision of the Terms of Reference, and revision of our key areas of advocacy, which for 2019/2020 were focused on:

- › Accessing funds for gambling (credit/debit cards, ATM at establishments etc.)
- › Affected others
- › Building a case study library
- › Having gambling added to the Health Plan for Victoria

1 <https://www.vcglr.vic.gov.au/news/2019-20-victorian-gaming-expenditure-data-released>

2 <https://www.smh.com.au/national/alarming-rise-in-online-gambling-has-experts-worried-20200408-p54ics.html>

INFRINGEMENTS WORKING GROUP

Jo Parkin, Co-Convenor

The Infringements Working Group (IWG) is a joint-working group of Financial Counselling Victoria, the Federation of Community Legal Centres and Victoria Legal Aid. The IWG involves almost 40 member organisations. It works closely with government and other key stakeholders to highlight the challenges faced by vulnerable people trying to navigate the complex infringement system.

The implementation of the *Fines Reform Act* raises challenges for vulnerable clients and their advocates and has been a focus of IWG advocacy. This has included our submission, *'Making the fines reform more effective, accessible and fair for all Victorians'*, to the State Government's Fines Reform Advisory Board (FRAB). The submission was informed by casework evidence and client stories from IWG members' work and made 10 constructive recommendations to improve fines reform and the wider-infringements system.

COVID-19 has exacerbated the vulnerabilities of many people already caught up in the fines system. IWG

members fear the resulting financial hardship and stress will bring more people into contact with the fines system. In partnership with VCOSS, IWG has developed a briefing paper, *'Fairer fines outcomes for vulnerable Victorians during COVID-19 and the recovery phase'*, and this was submitted to the state government in July 2020. One of the nine recommendations was for a concession-based infringements and waiver of costs for financially disadvantaged people to minimise the infringement system causing further financial hardship.

IWG is a very active working group and it is great way to make a difference at a systemic level, so please contact Jo Parkin (details on the FCVic website) if you wish to become involved.

Co-Convenors: Cameron Lavery and Hannah Lewis (Justice Connect), Shifrah Blustein (WEstjustice) and Jo Parkin (Uniting ReGen).



CONVENORS NETWORK

Carly Baker, Convenor

The Convenors Network was officially established in March 2020. The group had previously been meeting, discussing governance matters and the strategic direction of FCVic at forums held twice a year. The collaboration and sharing of information and ideas at these events lead to the establishment of the Convenors Network as a key link across all our FCVic Working Groups, Networks and Communities of Practice.

After the first face to face meeting in March the group shifted to meeting fortnightly via Zoom – thanks to COVID-19. It formed a valuable way of staying connected and sharing information and also a platform for members to raise concerns arising from the many changes – working from home challenges, new barriers in their practice and of course member wellbeing.

The Convenors Network hosted many stakeholders and strategic partners as guest speakers, as well as regular updates from Sandy Ross and the FCVic team to share updates and to provide feedback on concerns.



REGIONAL NETWORKS



Regional Networks offer a forum for FCVic members to meet and discuss casework, undertake professional development and debrief with their peers.

Regional Networks are a way for financial counsellors to discuss casework related matters emerging that are particular to the geographical area, discuss approaches and work together.

The Regional Networks are:

- > Eastern metro
- > Northern metro
- > Southern metro
- > Western metro
- > Gippsland
- > Hume
- > Western regional

EASTERN METRO NETWORK

Dorianne Oliver, Convenor

The Eastern Metro Network meetings have been attended by financial counsellors from the following agencies:

- > Anglicare Victoria
- > EACH Social and Community Health
- > Salvation Army
- > Eastern Community Legal Centre
- > National Debt Helpline

We have met four times this year, and meetings included presentations for the following organisations:

- > National Debt Helpline
- > Infringements Working Group
- > Centrelink Working Group
- > Social Security Rights Victoria
- > ANZ
- > Westpac

2020 has proved to be a difficult year for us with overall decreased workload in the second quarter of the year because of the coronavirus government supplements and early release of super, working from home pros and cons, navigating Zoom and then later robust discussion about the impending tsunami of clients unable to afford their mortgages after the banks deferrals are due to end in early 2021.

As much as possible we've tried to be there for each other in this new normal.

We engaged with FCVic providing feedback and eager for information about what advocacy has been done and for details regarding extra funding opportunities from State and Federal governments for financial counselling.

This year we have welcomed new members, and tried to keep our meetings relevant with plenty of information and guest speakers, and opportunities for our members to speak openly, ask questions and catch up.

NORTHERN METRO NETWORK

Bronny Higgs

The Northern Metro Network meets every two months, with rotating host agencies and convenors. Our meetings are well attended, with even more inclusion being enabled by Zoom meetings during remote working. The network also conducted an extra wellbeing meeting to provide extra valuable support to financial counsellors working remotely during COVID-19.

Agencies represented include: Anglicare Victoria, Banyule Community Health, Better Place Australia, Uniting Kildonan, Uniting Lentara, Uniting ReGen, The Salvation Army, VincentCare, Carlton Fitzroy Financial Counselling Service, Sunbury Community Health and Odyssey House.

Guest speakers who have attended during the year include the Sheriff's Office, Tenancy Assistance and Advocacy Program, Credit Corp, Latitude Financial Services, Whittlesea Community Legal, and the Infringements Working Group (Jo Parkin). Wombat Housing Support Services also provided a two-hour orientation to the homelessness service system in the region.

Financial counsellors have found the network to be a valuable resource for information sharing, case discussion and peer support.

SOUTHERN METRO NETWORK

Jenny McGowan, Convenor

The Southern Metro Network met five times this year – three in-person meetings, hosted by South East Community Links (Dandenong), Cranbourne Information & Support Service (Cranbourne) and Better Place Australia (Cheltenham), and two meetings via Zoom.

We always try to support each other at our meetings, and this became more important as most members began to work from home in March. The challenges of phone interviews, work protocols and balancing home learning whilst working is something we never expected in our job, but we have managed, and the sharing of ideas and ways to manage has certainly helped.

Fortunately for many, the caseloads lightened which was a relief as the new routines settled to be a new normal. As much as we enjoy the in-person meetings with swapping of personal chatter and morning tea, the Zoom meetings allowed more members to attend meetings as travel time and other constraints were removed. I hope we can find a balance to schedule both in the future.

WESTERN METRO NETWORK

Kelly Preece

The Western Metro Network previously met face-to-face once a quarter, hosted by a different organization each meeting. Since COVID-19, these meetings were changed to bi-monthly via Zoom.

The Network has adjusted to working from home well and have reported a decrease in case numbers since the onset of COVID-19, but we are appreciating the extra time we can work on our clients' cases.

Since changing the meetings to Zoom, the attendance has increased as participants do not need to take half a day out of their schedule – just a couple of hours.

This year we had guest speakers from:

- > Social Security Rights Victoria – understanding your clients' rights and how they can help
- > Gamblers' Help – Peer connection
- > Maurice Blackburn – Superannuation insurance changes and COVID-19

During the meetings, all attendees give an update on their caseload, and any issues they are experiencing while working on their cases, e.g. dealing with and push backs from creditors. The issues can then be taken to the FCVic Convenors Network for further discussion and assistance, if required.

Some of the issues that have come up are

- > Utilities Relief Grants – length of time of processing
- > Banks
 - increasing difficulty dealing with some banks
 - what will happen after COVID-19 with arrears on loans, credit cards and mortgages as some are wanting arrears caught up quickly while others are capitalizing the arrears into the debt

GIPPSLAND REGIONAL NETWORK

Rachel Tobias

2020 has been a challenging year felt by all. We started the year off with the devastating bushfires in East Gippsland impacting on all services.

The bushfires saw:

- > Communities suffering from drought and the added trauma of the bushfires
- > People being either under-insured or not insured at all
- > Impact on small business such as tourism, hospitality, and freight businesses, due to the communities being closed off for a period of time.
- > Hubs – challenging in connecting with all 6 hubs and having a presence with the added impact of COVID-19
- > Grants offered to small business, farmers and individuals, plus the availability of concessional loans.

We have met twice this year and our focus has been on the impact of bushfires and COVID-19. Across the board, all agency offices have been closed but the services have remained the same. We are all offering face-to-face service to the most vulnerable identified, otherwise we are providing phone or virtual interviews.

Key issues throughout the year mainly relating to COVID-19:

- > The introduction of JobKeeper, an increase to JobSeeker, the Government stimulus payments, and moratoriums through banks and financial institutions has meant our services have been quiet. These financial supports are diluting the hardship impacts; however, we are bracing for the demand when these supports start to reduce.
- > Venues – expected losses of \$21 million to gambling has not been lost in the Gippsland region since venues closed on 23 March through until 20 May 2020.

- > Some clients have used COVID-19 as an opportunity to self-exclude, some gamblers and online bookies are losing more money.
- > Suicide, family violence and mental health issues have increased across the region.
- > Bushfire Hubs have closed and are only available to the most vulnerable with appropriate COVID-19 checking.

HUME REGIONAL NETWORK

David Newport, Convenor

The Hume Regional Network maintained its schedule of quarterly meetings during this exceptional year, holding them online since May as COVID-19 restrictions hit.

Zoom proved a fantastic tool for maintaining contact. But while it may become a feature of our professional lives for future professional development sessions, members are looking forward to a return to face to face network meetings for the personal interaction absent in virtual gatherings.

Guest presenters this year were:

- > Carl Fraser and Jan Barned on Rural Financial Counselling and the AgBiz Assist Small Business Support program;
- > Marina Stojanoski, Financial Counsellor Relationship Manager for Latitude Financial Services;
- > Lucinda O'Brien, Centre for Corporate Law, Melbourne Law School, on research into harmful financial products;
- > Karl Schaffarczyk, Social Security Rights Victoria, on Centrelink appeals; and
- > Cassandra Kingsley and Francesco Grande on Linkt Assist's debt recovery processes.

As ever, we appreciated Sandy Ross taking time to participate in our meetings, as well as the continuing support of James and the FCVic team.

WESTERN REGIONAL NETWORK

Claire Browne and David Lodge, Co-Convenors

Welcome to the 2020 Annual Report for the Western Regional Network. COVID-19 determined 2020 would be a very different year with many challenges for the financial counsellors and rural financial counsellors in our network. These challenges were met with innovation: working from home or split working environments between home and office, learning to navigate Zoom and various other platforms, adapting to phone or online engagement with clients and the unique challenges involved.

February meeting was held face to face (yes, the old normal) and hosted by Diversitat in Geelong.

An interesting and informative CPD session on Challenging Centrelink Decisions was run by Bryn Overend from Social Security Rights Victoria (SSRV).

June meeting, deep in the Victorian winter and mid-pandemic was held via Zoom. Rather than the usual country drive, catch up in-person over lunch, it was a different feel with a couple of pages of Brady Bunch screens to sit in front of from our isolation. The membership was, unusually, a bit quieter than usual. The network benefited from a webinar on the National Redress Scheme from a financial counsellor perspective.

August meeting, Zooming away like experts now!

Karl Schaffarczyk (Social Security Rights Victoria) and Marina Stojanoski (Latitude Financial Services) both gave interesting presentations followed by Q&A.

November meeting is still to come, will it be Ballarat or Zoom?

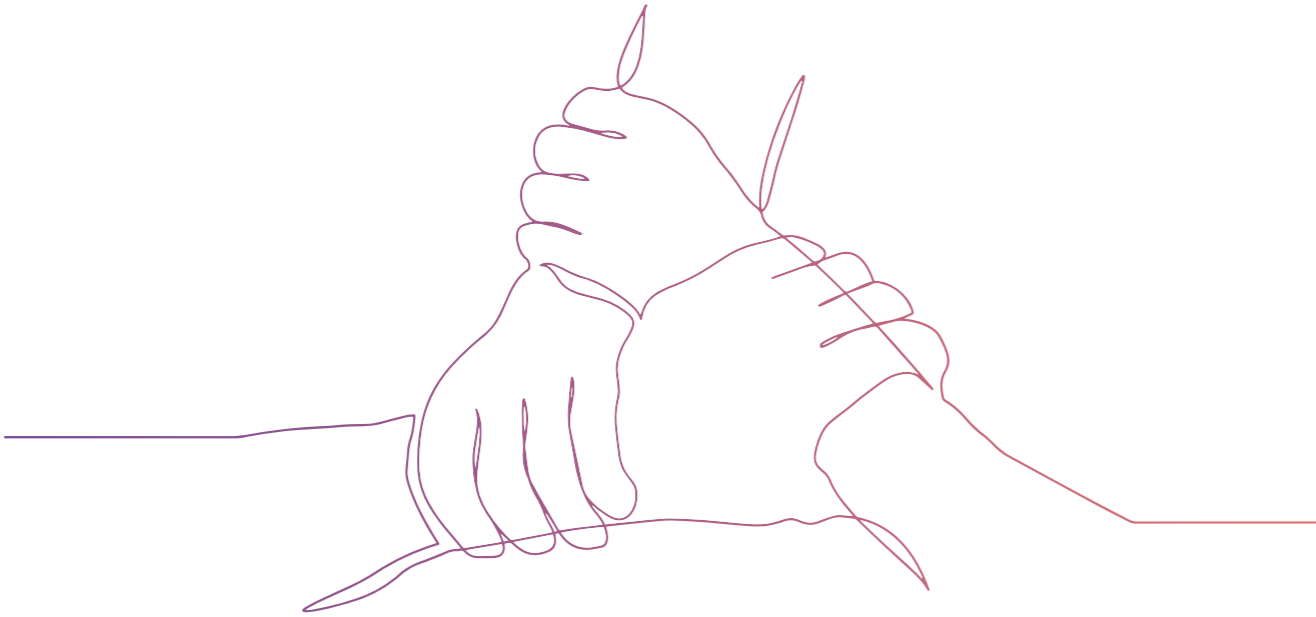
We congratulate all network members in meeting these challenging times head on and continuing to keep engagement with one another. There have been real benefits for some in that members from Mildura, for example, are able to connect with the network meetings – something that has been difficult in the past. On behalf of the Western Regional Network we would like to thank FCVic for the consistent updates and professional development made available to everyone, and for managing the intricacies involved in making the network meetings happen.

No doubt there will be positives and negatives that will come out of COVID time, hopefully the rate for those on Centrelink payments will remain increased, maybe we will have more options in working from home and/or office and lengthy travel to meetings and PD might become a thing of the past.

Bring on 2021!



COMMUNITIES OF PRACTICE



FCVic facilitates communities of practice for specialist groups to network and share experiences related to their roles.

These communities of practice include:

- > Family Violence Financial Counsellor Network
- > Prison Financial Counsellor Network

FAMILY VIOLENCE FINANCIAL COUNSELLOR NETWORK

Donna Letchford, Convenor

The Family Violence Network is open to any financial counsellor who works with clients dealing with family violence issues, or has an interest in the complex nature of this work.

The Network currently has over 50 members and there have been five meetings over the past 12 months. Meetings are currently being held bi-monthly. The Network provides sharing of information as well as discussion of changes and issues dealing with systems, legislation and creditors.

We have also had a range of speakers to keep us up to date with the broader picture of family violence. These have included the Legal Services Board, Latitude Financial Services, Women's Legal Service Victoria, Dr Suzy Goldsmith from FCVic to discuss the Elder Abuse project, and a Victims of Crime compensation lawyer. There are also regular updates from Carolyn Bond, Project Manager Economic Abuse Reference Group, and Jane Evans, Sector Support Officer from Department of Justice and Community Safety.

In addition to this, group supervision is also available to members of the group focussing on issues and concerns relating to working in the family violence space. Initially, we provided one supervision session the same day as the Network meeting. However, due to demand, there are now three sessions made available over a couple of days to accommodate the needs and availability of the participants.

This year we have also welcomed the innovation of FCVic's group mailing lists which we have found particularly useful in sharing the wisdom of the group. I would like to thank those members who have provided some good solutions and/or contacts when one of us is faced with a tricky problem. The speed of the responses has also been welcomed and I can attest to the benefits when I had recently misplaced some contact details. It saved me a great deal of time and effort.

As outlined above, the group is open to any financial counsellor who has an interest in, or requires support relating to, family violence financial counselling. Interested members are invited to contact FCVic to join the mailing list.



PRISON FINANCIAL COUNSELLOR NETWORK

Colin Handreck

The FCVic Prisons Network, together with the Victorian Prison Working Group facilitated by community lawyers and involving financial counsellors, seeks to provide comprehensive financial and legal support for incarcerated clients.

Most prisoners seeking financial counselling want to exit prison in better circumstances than when they arrived. Prisoners present with a diverse range of financial issues which broadly cover three categories: managing/resolving debt; tax related; superannuation related.

The FCVic Prisons Network involves financial counsellors who support prisoners and who seek to improve options and achieve systemic change for incarcerated clients, including:

- > Encouraging institutions to implement hardship policies that incorporate the unique requirements of prisoners e.g. no income; timed phone calls to pre-approved numbers only; no internet; no documentation
- > Giving consideration to the National Debt Helpline being made available to prisoners
- > Streamlining access to Credit Reports
- > Distributing FCA Prisoner Fact Sheets to prisoners
- > Liaison with FCA Prisons Network

RECOGNISING EXCELLENCE

Every year at our conference we recognise financial counsellors who have demonstrated excellence in service to our profession and the wider community, through three awards:

- > Jan Pentland Memorial Award
- > Virginia Noonan Award
- > Rising Star Award



Jan Pentland Memorial Award

The Jan Pentland Memorial Award is named after one of our esteemed Life Members, and recognises a member of FCVic who has worked in service to the wider community.

In 2019, the Jan Pentland Memorial Award recipient was Wodonga Financial Counsellor, Sandra Blake (above), who was recognised for her tireless service to the wider community, particularly through her commitment to payday lending reforms.

In her acceptance speech, Sandra spoke about the power of storytelling in creating change.



Virginia Noonan Award

The Virginia Noonan Award is awarded to a Full member of FCVic who has demonstrated excellence in service to the profession or their clients over and above their normal duties as a financial counsellor.

The 2019 Virginia Noonan Award recipient, Tracey Grinter from Bendigo (above with Virginia Noonan), was recognised for her contributions to the profession through the development of our regional workforce.

In accepting the award, Tracey emphasised the importance of supporting student financial counsellors, and encouraged more agencies to engage in student placement.

Rising Star Award

The Rising Star Award recognises the work of a new financial counsellor, having held membership with FCVic for less than three years, who has demonstrated excellence in service delivery.

Our Rising Star Award was awarded to Kylie McLoughlin in 2019 for her dedication to her clients.

Kylie's dedication and commitment was demonstrated through her trip to Canberra, with Consumer Action Law Centre and her client, for the Government to legislate Small Amount Credit Contract reforms.

ELDER ABUSE PROJECT

Dr Suzy Goldsmith, Special Projects Lead

Since Easter, we have been working hard on the final phase of our financial counselling and elder abuse project – an initiative led to this point by Bernadette Pasco. The project is funded by the Victorian Department of Health and Human Services (DHHS).

Financial counsellors play a vital role in the prevention of financial elder abuse. Our project strengthens the links between financial counsellors, other community services working with older Victorians and the broader Victorian community.

Over the course of the project, more than 40 per cent of practising financial counsellors participated in professional development on elder abuse. The final sessions, delivered in June to coincide with World Elder Abuse Awareness Day, included a Special Forum exploring ways of working effectively with people who may be experiencing, or perpetrating, elder abuse. Around 70 financial counsellors participated in this event, actively engaging with the issues presented in the case by Mike Kirkness of Latrobe Community Health Services, and the perspectives provided by Michelle Perry of No to Violence and Marnie Coghlan of Seniors Rights Victoria.

Our project strengthens the links between financial counsellors, other community services working with older Victorians and the broader Victorian community.



Throughout June, we delivered 21 webinars about 'Financial Vulnerability in Older Victorians' through our partners – DHHS's 10 Elder Abuse Prevention Networks, the Ethnic Communities Council of Victoria and Australian Multicultural Community Services. The webinars were enthusiastically received by 402 participants representing 151 organisations across Victoria.

Building on what we learned from this engagement, we followed up with a brief campaign 'Warm Safe Home for Older Victorians' to raise the awareness of financial counselling support. Through this campaign we hope to reach older Victorians who may be experiencing financial vulnerability or hardship, understanding that this may be the result of elder abuse, whether recognised or not. Once in touch with a financial counsellor, people will have the opportunity to review their eligibility for financial supports and ensure their finances are well-managed.

None of this would have been possible without the amazing knowledge and support of so many financial counsellors – through the professional development, community of practice, webinar Q & A sessions and content for the webinars, special forum and campaign. Thank you to all of you, and special thanks to Mike Kirkness of Latrobe Community Health Services and Katrina Barrett of Eastern Community Legal Centre for lending us their voices.

To round off this effort, and recognising that ageism drives elder abuse, the FCVic Board has taken the EveryAGE Counts pledge on behalf of all of us. We hope to garner funding support to further this work.

The Pledge:

'We stand for a world without ageism where all people of all ages are valued and respected and their contributions are acknowledged. We commit to speak out and take action to ensure older people can participate on equal terms with others in all aspects of life.'

BUSHFIRE DISASTER RESPONSE

The bushfire project work has been important, complex and demanding. The initial focus of the project was to provide training for financial counsellors; coordinating sector wide response and supporting Anglicare and Upper Murray Family Care as the state funded financial counselling agencies in affected areas. However, it rapidly became clear that the financial counselling sector was uniquely connected across a range of different service domains – including financial, family, social, community, government, legal, and health and mental health – and building connections and understandings between these areas was a crucial activity, along with informing other services about the work of financial counsellors.

FCVic has acted as a key knowledge and information broker in the wider bushfire recovery service system; bringing different services into contact with each other. We have taken a leadership role in supporting and training not only financial counsellors, but hub and case support managers and staff working in the relief and recovery space.

FCVic conducted a 'briefing' session on bushfire disaster financial counselling for financial counsellors in January. The session included content on working with people affected by trauma, self-care, and sharing from financial counsellors with experience of the Black Saturday Bushfires. There were 45 attendees including financial counsellors from affected areas, and other parts of the state who were interested in volunteering for deployment, or concerned that they would encounter clients impacted by the bushfires.

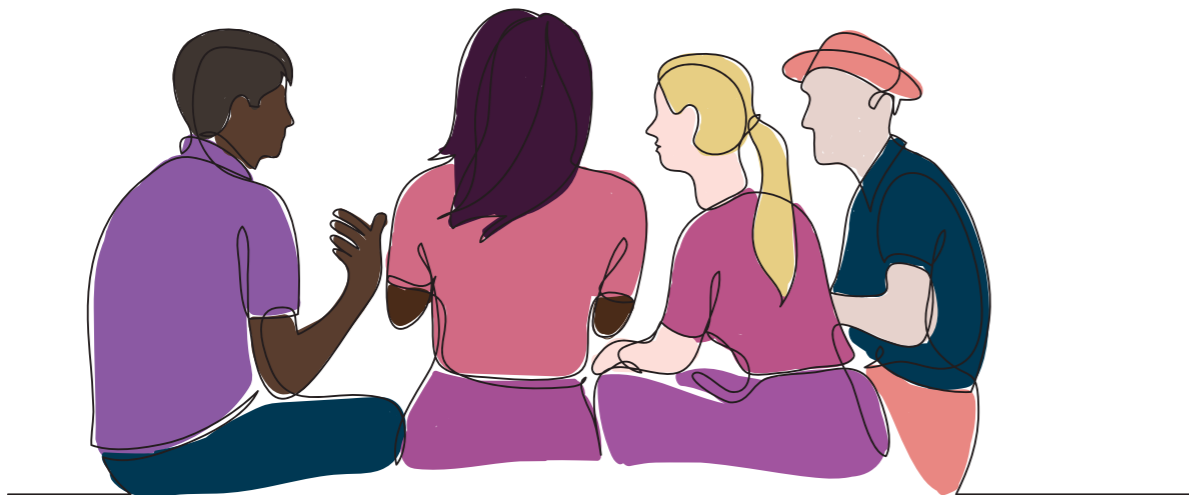
Two subsequent professional development sessions for bushfire financial counselling were delivered in June 2020. The first session focused on working with people experiencing trauma in relation to the bushfires such as family violence, mental health issues, insurance issues, legal issues, and the other seminar focused on working with bushfire disaster affected small businesses. These sessions recorded 55 and 57 attendees respectively in addition to the expert panellist presenters.

Two sets of three, 90-minute professional networking workshops were conducted (one set for each bushfire affected region) over a period of three weeks from late April to mid-May 2020. These workshops were designed to enable the linking of the various support service workers with an understanding of each other's roles and how clients could best be supported in managing a range of financial, social and health challenges. In the North East of Victoria, 18 agencies were involved in the webinar series. In East Gippsland, 11 organisations participated including at least six of the eight new Bushfire Recovery Victoria hub coordinators. There were between 40 and 42 participants in each workshop.

Through this project work, we have been able to educate emergency relief and recovery services, as well as other government entities such as Small Business Victoria, on key issues such as: the differences between rural financial counsellors and generalist financial counsellors; generate a broad understanding amongst services of how access to government and industry supports that can be made to work for people affected by the bushfires; how financial counsellors can be integrated into the support work of other professionals; and supporting financial counsellors with relevant professional development for their bushfire roles.

FCVic also produced accurate and reliable updates on resources and supports from governments and industry for people affected by the bushfires; updated regularly on the FcVic website from January to April and used as a tool for financial counsellors.

The work we have been undertaking in this area needs to continue. We note the overlay of COVID-19 onto the bushfire trauma is adding complexity and newly shifting patterns of need and hardship amongst people and communities affected by the bushfires. The professional support for financial counsellors working in that context will continue to be essential for some time to come.



TRAINING REPORT

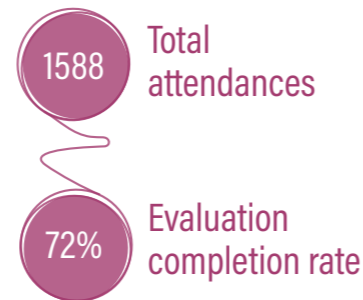
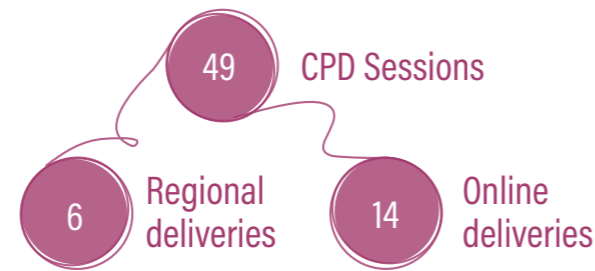
Tanja Haeusler, Training Manager

This certainly has not been 'just another year' for anyone, including FCVic. The unfolding COVID-19 situation in early 2020 required us to adapt quickly and this included changes to our planned training deliveries.

We are extremely proud that despite the challenges we were able to continue to provide important updates and continuous professional development (CPD) opportunities for our members in the first half of 2020. With the last face-to-face session held on the 11th of March, 13 sessions were redesigned and delivered online. Additional training topics were prioritised to meet pressing training needs, including moving the delivery of the Telephone Financial Counselling Skills session forward and adding a COVID-19 Updates for Consumer Advocates session.

We have delivered a record-breaking 49 sessions over the last year and with 14 out of those run online we have been able to significantly increase accessibility of training particularly for regional and rural financial counsellors. Distance no longer acting as a barrier to attendance, we have recorded 1588 attendances between July 2019 and June 2020. This equates to a further 11% increase compared to the previous year, which had already seen a significantly larger number (36% increase) from the year before that.

10 out of the 49 sessions were focused on Family Violence, delivered by Women's Legal Service Victoria in collaboration with WIRE, and included foundation training, advanced training, a Masterclass and Leaderclass, as well as Family Violence Information Sharing Scheme training. While a variety of different topics were covered over the past year, I'd like to highlight the three two-day deliveries on Elder Abuse which formed part of the Elder Abuse and Financial Counselling Project funded by the Department of Health and Human Services. These sessions were commented on as 'exceptional', an 'eye opener' and 'incredibly valuable'.



Another focus of last year's training was the delivery of training on how to challenge Centrelink decisions, born out of the Integrated Services Project between Social Security Rights Victoria and FCVic. For a full list of topics covered please refer to Table 1.

A special thank you goes to our Professional Development Advisory Group (PDAG) who continued to provide valuable feedback and guidance in the process of formulating a relevant and effective training calendar for financial counsellors in Victoria. Current membership of the PDAG:

- > Cathy Clark (Financial Counsellor)
- > Donna Johnson (Financial Counsellor)
- > Evan Cheung (Financial Counsellor)
- > Julia Di Giovine (Financial Counsellor)
- > Katie Fraser (Consumer Action Law Centre)
- > Bronwyn Davis (Financial Counsellor)
- > Melanie Hallam (Australian Financial Complaints Authority)
- > Sandy Ross (FCVic)
- > Preethi Vergis (Consumer Action Law Centre)

PROFESSIONAL DEVELOPMENT



Table 1

| Topics Jul - Dec 2019 | Topics Jan - Jun 2020 |
|--|---|
| Elder Abuse | Bushfire Response training |
| Mortgage Stress | Professional Supervision refresher training |
| Mental Health indigenous context | Insurance Complaints |
| Challenging Centrelink decisions | Managing difficult client behaviours |
| Elder Abuse | New Guardianship & Administration Act: Panel Session |
| Consumer Contracts - webinar | Challenging Centrelink Decisions |
| Getting the most out of professional supervision | Masterclass: Consumer Law |
| Debt enforcement - Graduate Workshop | Gambler's Help FC Forum - Webinar |
| Unregulated Credit Contracts - Regional delivery | Gambling & Addiction: Criminal Activities and Fraud - Webinar |
| Referral practices - Regional delivery | Telephone Financial Counselling Skills - Webinar |
| Masterclass responsible lending | Credit reporting - Webinar |
| Professional Supervisor training | Bushfire Recovery Financial Counselling in a COVID-19 environment - Webinar |
| Leadership skills - Conflict Management | National Redress Scheme from an FC perspective - Webinar |
| Telephone Counselling Skills | Bushfire Recovery - Small Business and Disaster - Webinar |
| Family Law - Regional delivery | Working with Refugees and Asylum Seekers - Webinar |
| Legal Updates | Elder Abuse - online format |
| TC and FC teamwork | Special Forum on Elder Abuse - Webinar |
| | Online gambling and consumer protections - Webinar |
| | COVID-19 Updates for Consumer Advocates - Webinar |

COUNTING THE COSTS REPORT

For some time, FCVic has been concerned by reports from an increasingly wide range of members that they are struggling with heavy caseloads, complex and psychologically demanding casework and experiencing high levels of work-related stress. These reports were disturbing and a matter of serious discussion at the Board level for a period spanning more than 18 months. It became clear that to address these issues we needed to collect data that would provide an evidence-base to define the nature of the issues and could be used to advocate for change.

In late 2019, FCVic conducted an extensive survey of its members about stress and burnout concerns. We received an extremely large response, with more than 160 practising financial counsellors (75% of Victorian financial counsellors) completing a large and complex survey instrument. The issues in the survey clearly resonated widely across our sector.

The resulting report, *Counting the Costs*, was launched in February 2020 at a public event outlining the findings and recommendations. It is apparent from the report that many financial counsellors are working in jobs that are becoming unsustainable. It seems that many agencies employing financial counsellors are not adequately managing the risks to their financial counselling staff arising from the work they do. For example, there are enormous pressures on agencies and financial counsellors from heavy crisis case demand, and it appears that case load limits and protections are not instituted as widely as needed to provide basic protections for financial counsellors in their work.

We recognise that there are many elements to the situation, and the report makes recommendations on how to respond to these issues for action by funders, employing agencies, financial counsellors and other stakeholders. In May, the report was sent to Agency CEOs, funding bodies and WorkSafe Victoria, highlighting the recommendations for action by each of those bodies.

COVID-19 now presents an added layer of new and unique challenges to the existing levels of stress and work pressures identified in the report. Wellbeing is of real and current concern to the sector in this climate.

COVID-19 RESPONSE

The social distancing restrictions introduced in Victoria in response to the COVID-19 pandemic have posed some unique challenges for financial counsellors, like the rest of the Victorian community. In some ways, the financial counselling environment became a little easier in the first six months of the pandemic, with many reports of a drop in demand for service. However, there has been an unsettling sense of a 'calm before the storm', with the thought of an impending significant increase in demand once government and industry support responses are inevitably rolled back. Yet, even before that point, there are many people still in hardship, and many challenges such as increasing reports of family violence, and financial counsellors are working in unprecedented isolation to support clients in complex and demanding life and economic situations.

FCVic moved quickly in response to the developing situation to ensure it had in place strong communications and supports for members, and was able to build links with other sectors. This included ensuring we had reliable IT and video-conferencing platforms to deliver relevant information and training to members, and coordinate on policy and advocacy work. We have observed strong levels of participation in our video conferencing with members, and positive reactions from many regional members at being able to participate on a level playing field without facing time and transport barriers.

FCVic initiated an ongoing series of update emails for members with information and resources specific to the pandemic. In total, 12 COVID-19 updates were distributed from March to 30 June. Acknowledging the high volume of emails circulating at the time, the COVID-19 updates include a brief summary video of the contents to allow members to efficiently digest the key points and identify which items they needed to read more about. The response from the membership has been overwhelmingly positive.

In the period April - June 2020 the Victorian government announced a range of initiatives to support the community, including protections for tenants, an energy package and mental health supports. FCVic was asked to help support the financial counselling sector engagement in these initiative areas.



FINANCIAL COUNSELLING VICTORIA INC

Formerly known as FINANCIAL AND CONSUMER RIGHTS COUNCIL INC.

ABN 89 498 543 075

**GENERAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

FINANCIAL COUNSELLING VICTORIA INC
ABN 89 498 543 075
BOARD REPORT

FINANCIAL COUNSELLING VICTORIA INC
ABN 89 498 543 075

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Your Board members present the special purpose financial report on the entity for the financial year ended 30 June 2020.

Board Members

The names of Board members throughout the year and at the date of this report are:

| Name | Portfolio | |
|--------------------|-----------------------|---|
| Colin Harte | Chairperson | <i>Elected 9 October 2019 (Board member until 9 October 2019)</i> |
| Julie Barrow | Past Chairperson | <i>Retired 9 October 2019</i> |
| Carly Baker | Board Member | <i>Appointed Deputy Chair 19 November 2019</i> |
| Cathy Clark | Secretary | <i>Elected as Secretary October 2018. Appointed as Secretary 19 November 2019</i> |
| David Balcombe | Treasurer | <i>Elected 9 October 2019. Appointed Treasurer 19 November 2019</i> |
| Mark Phillips | Past Treasurer | <i>Retired 9 October 2019</i> |
| Norm McMurray | Co-opted Board Member | |
| Jo McMahon-Hide | Board Member | |
| Max Smart | Board Member | |
| Lisa Garlick | Board Member | <i>Appointed 23 October 2019 (casual vacancy)</i> |
| Jennifer Holdstock | Co-opted Board Member | <i>Appointed 20 May 2020</i> |
| Tracey Grinter | Board Member | <i>Elected 9 October 2019</i> |
| Heather Barclay | Board Member | <i>Retired 9 October 2019</i> |

Principal Activities

The principal activity of the entity during the financial year was:

Financial Counselling Victoria Inc (FCVic) is the peak body for Financial Counsellors in Victoria. The FCVic actively supports Financial Counsellors by promoting the needs of those experiencing financial hardship.

Significant Changes

No significant changes in the nature of the entity's activity occurred during the financial year.

Operating Results

The surplus for the year attributable to the entity amounted to \$17,502 (2019: \$48,186 surplus).


Significant Changes in State of Affairs

A matter has continued to evolve since 30 June 2020 that has significantly affected, or may significantly affect:


- (a) the entity's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the entity's state of affairs in future financial years.

The COVID19 pandemic is likely to induce significant changes in the state of affairs of the Company during the financial period ended 30 June 2021. The Board of Directors will take all necessary measures to preserve capital and shepherd the Company through this uncertain period.

Signed in accordance with a resolution of the Members of the Board.

Chairperson 

Colin Harte

Treasurer 

David Balcombe

Dated this 18th Day of September 2020

FINANCIAL COUNSELLING VICTORIA INC
ABN 89 498 543 075
INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2020

| | Note | 2020 \$ | 2019 \$ |
|--|------|----------------|----------------|
| REVENUE | | | |
| Grant funding income | | 383,981 | 358,548 |
| Conference income | | 241,038 | 293,704 |
| Membership income | | 66,957 | 56,037 |
| Other income | 2 | 76,278 | 4,497 |
| Project income | 2 | 161,246 | 132,900 |
| Interest received | | 4,875 | 7,135 |
| TOTAL REVENUE | | 934,375 | 852,821 |
| EXPENDITURE | | | |
| Administration expenses | | 90,374 | 48,825 |
| Communication expenses | | 4,600 | 4,363 |
| Conference expenses | | 165,254 | 213,842 |
| Facilities and equipment expenses | | 13,222 | 12,444 |
| Finance charges on lease liability | | 8,620 | - |
| Project expenses | | 127,344 | 91,812 |
| Rent expenses | | 5,498 | 22,256 |
| Right of use asset - amortisation | | 23,385 | - |
| Staffing expenses | | 478,576 | 411,093 |
| TOTAL EXPENDITURE | | 916,873 | 804,635 |
| Net surplus/(deficit) attributable to the Association | | 17,502 | 48,186 |

FINANCIAL COUNSELLING VICTORIA INC
ABN 89 498 543 075
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

| | 2020 \$ | 2019 \$ |
|---|----------------------|----------------------|
| Net surplus/(deficit) attributable to the Association | 17,502 | 48,186 |
| Other comprehensive income for the year | - | - |
| Total comprehensive income for the year | <u>17,502</u> | <u>48,186</u> |
| Total comprehensive income attributable to the Association | <u>17,502</u> | <u>48,186</u> |

The income statement is to be read in conjunction with the audit report and the notes to the financial statements.

2

FINANCIAL COUNSELLING VICTORIA INC
ABN 89 498 543 075
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

| | Note | 2020 \$ | 2019 \$ |
|--------------------------------------|------|----------------|----------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 3 | 620,886 | 338,049 |
| Trade and other receivables | 4 | 11,000 | 136,620 |
| Other current assets | | 55,002 | 21,791 |
| TOTAL CURRENT ASSETS | | 686,888 | 496,460 |
| NON CURRENT ASSETS | | | |
| Property, plant and equipment | 5 | - | - |
| Intangible assets | 6 | 116,924 | - |
| TOTAL NON-CURRENT ASSETS | | 116,924 | - |
| TOTAL ASSETS | | 803,812 | 496,460 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 7 | 51,496 | 33,124 |
| Income received in advance | 8 | 293,633 | 161,746 |
| Provisions | 9 | 72,514 | 56,054 |
| Lease liabilities - leased premises | 10 | 19,392 | - |
| TOTAL CURRENT LIABILITIES | | 437,035 | 250,924 |
| NON-CURRENT LIABILITIES | | | |
| Provisions | 9 | - | - |
| Lease liabilities - leased premises | 10 | 103,739 | - |
| TOTAL NON-CURRENT LIABILITIES | | 103,739 | - |
| TOTAL LIABILITIES | | 540,774 | 250,924 |
| NET ASSETS | | 263,038 | 245,536 |
| EQUITY | | | |
| Accumulated funds | | 263,038 | 245,536 |
| TOTAL EQUITY | | 263,038 | 245,536 |

The balance sheet is to be read in conjunction with the audit report and the notes to the financial statements.

3

FINANCIAL COUNSELLING VICTORIA INC
ABN 89 498 543 075
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

| | Accumulated funds \$ | Total \$ |
|---|----------------------------|----------------|
| Balance as at 1 July 2018 | 197,350 | 197,350 |
| Surplus/(deficit) attributable to the Association | 48,186 | 48,186 |
| Balance as at 30 June 2019 | <u>245,536</u> | <u>245,536</u> |
| Surplus/(deficit) attributable to the Association | 17,502 | 17,502 |
| Balance as at 30 June 2020 | <u>263,038</u> | <u>263,038</u> |

The statement of changes in equity is to be read in conjunction with the audit report and the notes to the financial statements.

4

FINANCIAL COUNSELLING VICTORIA INC
ABN 89 498 543 075
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

| | Note | 2020 \$ | 2019 \$ |
|---|-----------|------------------------|------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from grant funding | | 515,868 | 323,293 |
| Receipts from other income | | 648,992 | 396,073 |
| Payments to employees | | (459,601) | (393,035) |
| Payments to suppliers and others | | (402,615) | (375,795) |
| Interest paid | | (8,620) | - |
| Interest received | | 5,991 | 7,038 |
| Net cash generated from/(used in) operating activities | 11 | <u>300,015</u> | <u>(42,426)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payment for property, plant and equipment | | - | - |
| Net cash (used in)/provided by investing activities | | <u>-</u> | <u>-</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Repayment of lease liability - leased premises | | (17,178) | - |
| Net cash used in financing activities | | <u>(17,178)</u> | <u>-</u> |
| Net increase/(decrease) in cash held | | 282,837 | (42,426) |
| Cash and cash equivalents at beginning of financial year | | 338,049 | 380,475 |
| Cash and cash equivalents at end of financial year | 11 | <u>620,886</u> | <u>338,049</u> |

The statement of cash flows is to be read in conjunction with the audit report and the notes to the financial statements.

5

Note 1. Statement of Significant Accounting Policies

This financial report includes the financial statements and notes of the Financial Counselling Victoria Inc, an incorporated association, which is incorporated in Victoria under the Associations Incorporation Reform Act 2012.

Basis of preparation

Financial Counselling Victoria Inc applies Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 201 0-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards- Reduced Disclosure Requirements of the Australian Accounting Standards Board, the *Australian Charities and Not for Profits Commission Act 2012* and the *Associations Incorporation Reform Act (Victoria) 2012*. The association is a not-for-profit association for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

a. Income Tax

The Association is exempt from paying income tax under the *Income Tax Assessment Act 1997*.

b. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and any impairment losses.

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Note 1. Statement of Significant Accounting Policies (continued)

b. Property, Plant and Equipment (continued)

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The asset's residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the comprehensive income statement.

c. Leases

Leased Assets

For any new contracts entered on or after 1 July 2019, the Association considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period in exchange for consideration'. To apply this definition the Association assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Association
- the Association has the right to obtain substantially all the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Association has the right to direct the use of the identified asset throughout the period of use.

The Association assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Statement of Significant Accounting Policies (continued)

Measurement and recognition of leases as a lessee

At lease commencement date, the Association recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Association, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Association depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Association also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Association measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Association's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Association has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Accounting for Leases under AASB 16

The adoption of this new Standard has resulted in the Association recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The new Standard has been applied using the modified retrospective approach, with the cumulative effect of adopting AASB 16 being recognised in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated.

For contracts in place at the date of initial application, the Association has elected to apply the definition of a lease from AASB 117 and has not applied AASB 16 to arrangements that were previously not identified as lease under AASB 117.

The Association has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of AASB 16, being 1 January 2019. At this date, the Association has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Association has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of AASB 16.

Statement of Significant Accounting Policies (continued)

Accounting for Leases under AASB 16 (continued)

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Association has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straightline basis over the remaining lease term.

For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under AASB 117 immediately before the date of initial application.

On transition to AASB 16 the weighted average incremental borrowing rate applied to lease liabilities recognised under AASB 16 was 6.50%.

The Association has benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases.

d. Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the association becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Association commits itself to either purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as (i) the amount at which the financial asset or financial liability is measured at initial recognition (ii) less principal repayments (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Note 1. Statement of Significant Accounting Policies (continued)

d. Financial Instruments (continued)

(i) Financial assets at fair value through the profit and loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, or where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the association's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) Available-for-sale Financial assets

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

Financial liabilities

Non-derivative financial liabilities are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the association assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence that impairment as a result of one or more events (a "loss event") has occurred, which has an impact on the estimated future cash flows of the financial asset(s).

Note 1. Statement of Significant Accounting Policies (continued)

d. Financial Instruments (continued)

Impairment (continued)

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the association recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the association no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

e. Impairment of Assets

At the end of each reporting period, the association assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

f. Employee Entitlements

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy any vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Note 1. Statement of Significant Accounting Policies (continued)

g. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

h. Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable.

Revenue is brought to account when received and to the extent that it relates to the subsequent period it is disclosed as a liability.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities

The mandatory date of adoption for AASB 15 and AASB 1058 was 1 January 2019. The Association has elected to apply the modified retrospective approach allowable under the Standard, reflecting the cumulative impact arising from adoption (if any) as an adjustment to opening accumulated surplus at 1 January 2019. As a result, comparative financial information has not been restated.

AASB 15 involves the use of a five-step recognition model for recognising revenue, the steps are:

- Step 1 – Identify the contract with the customer
- Step 2 – Identify the sufficiently specific performance obligations to be satisfied
- Step 3 – Measure the expected consideration
- Step 4 – Allocate that consideration to each of the performance obligations in the contract
- Step 5 – Recognise revenue

AASB 1058 measures income by reference to the fair value of the asset received. The asset received, which could be a financial or non-financial asset, is initially measured at fair value when the consideration paid for the asset is significantly less than fair value, and that difference is principally to enable the entity to further its objectives. Otherwise, assets acquired are recognised at cost.

Where the asset has been measured at fair value, AASB 1058 requires that elements of other Accounting Standards are identified before accounting for the residual component. These standards are:

- AASB 15 Revenue from Contracts with Customers
- AASB 16 Leases
- AASB 1004 Contributions
- AASB 137 Provisions, Contingent Liabilities & Contingent Assets
- AASB 9 Financial Instruments

Interest Revenue

Interest revenue is recognised when the association obtains control over the funds which is generally at the time of receipt.

Donations

Donation income is recognised when the association obtains control over the funds which is generally at the time of receipt.

Note 1. Statement of Significant Accounting Policies (continued)

i. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

j. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

k. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the association during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

l. Provisions

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

n. Economic Dependence

The association is dependent on the Department of Justice for the majority of its revenue used to operate the business. At the date of this report the Board has no reason to believe the Department will not continue to support the association.

o. Key Estimates

(i) Impairment

The association assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

p. Key Judgements

(i) Provision for Impairment of Receivables

Included in trade receivables and other receivables at the end of the reporting period are amounts receivable from members in relation to unpaid memberships. The Board has made no provision for impairment due to doubtful debts.

Note 1. Statement of Significant Accounting Policies (continued)

q. New, Revised or Amending Accounting Standards and Interpretations Adopted

The Association has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Association.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which are relevant to the Association. The Board of Board Members has elected not to early adopt any of the new and amended pronouncements.

| | 2020 | 2019 |
|--|---------|---------|
| | \$ | \$ |
| Note 2. Other Income | | |
| COVID-19 Government Assistance Payments | 74,743 | - |
| Donation income | 1,256 | 4,438 |
| Sundry income | 279 | 59 |
| | 76,278 | 4,497 |
| Project Income | | |
| Family Violence | 27,246 | 10,800 |
| Elder Abuse | 49,000 | 100,000 |
| Bush Fire | 65,000 | - |
| Other Projects | 20,000 | 22,100 |
| | 161,246 | 132,900 |
| Note 3. Cash and Cash Equivalents | | |
| Cash on hand | 584 | 67 |
| Cash at bank | 135,219 | 13,452 |
| Cash on deposit | 485,083 | 324,530 |
| | 620,886 | 338,049 |
| Note 4. Trade and Other Receivables | | |
| Trade receivables | 11,000 | 136,620 |
| Less provision for doubtful debts | - | - |
| | 11,000 | 136,620 |
| Prepayments | 28,043 | 15,863 |
| Accrued interest income | 1,758 | 2,874 |
| Security deposit | 3,054 | 3,054 |
| Sundry debtors | 22,147 | - |
| | 55,002 | 21,791 |
| | 66,002 | 158,411 |

FINANCIAL COUNSELLING VICTORIA INC
ABN 89 498 543 075
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

| | 2020 \$ | 2019 \$ |
|--|-----------------|-----------------|
| Note 5. Property, Plant and Equipment | | |
| Computer equipment - at cost | 11,467 | 11,467 |
| Less accumulated depreciation | <u>(11,467)</u> | <u>(11,467)</u> |
| | - | - |
| Office fitout - at cost | 29,114 | 29,114 |
| Less accumulated depreciation | <u>(29,114)</u> | <u>(29,114)</u> |
| | - | - |
| Total property, plant and equipment | <u>-</u> | <u>-</u> |
| Note 6. Intangible Assets | | |
| Right of use asset - leased premises | | |
| At cost | 140,309 | - |
| Accumulated amortisation | <u>(23,385)</u> | <u>-</u> |
| | <u>116,924</u> | <u>-</u> |
| Note 7. Trade and Other Payables | | |
| Trade creditors | - | 560 |
| Sundry creditors | 2,295 | - |
| Net GST payable | 38,354 | 24,232 |
| PAYG withholding tax payable | 4,832 | 4,712 |
| Superannuation payable | <u>6,015</u> | <u>3,620</u> |
| | <u>51,496</u> | <u>33,124</u> |
| Note 8. Amounts Received in Advance | | |
| Conference revenue | 37,399 | 60,490 |
| Unexpended grant funding | <u>256,234</u> | <u>101,256</u> |
| | <u>293,633</u> | <u>161,746</u> |
| Note 9. Provisions | | |
| Current | | |
| Annual leave | 29,610 | 26,691 |
| Long service leave | 8,517 | 7,685 |
| Personal/carers leave | <u>34,387</u> | <u>21,678</u> |
| | <u>72,514</u> | <u>56,054</u> |
| Non-current | | |
| Long service leave | - | - |
| | <u>-</u> | <u>-</u> |

FINANCIAL COUNSELLING VICTORIA INC
ABN 89 498 543 075
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

| | 2020 \$ | 2019 \$ |
|--|----------------|-----------------|
| Note 10. Leasing Commitments | | |
| Current | | |
| Lease liability - leased premises | 19,392 | - |
| | <u>19,392</u> | <u>-</u> |
| Non-current | | |
| Lease liability - leased premises | 103,739 | - |
| | <u>103,739</u> | <u>-</u> |
| Note 11. Notes to the Statement of Cash Flows | | |
| Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax | | |
| Net surplus/(deficit) attributable to the Association | 17,502 | 48,186 |
| Non-cash flow items: | | |
| Depreciation | - | 5,241 |
| Amortisation on right of use asset - leased premises | 23,385 | - |
| Changes in assets and liabilities: | | |
| - (Increase)/decrease in trade and other receivables | 92,409 | (73,498) |
| - Increase/(decrease) in trade and other payables | 18,372 | (3,053) |
| - Increase/(decrease) in income received in advance | 131,887 | (35,255) |
| - Increase/(decrease) in provisions | 16,460 | 15,953 |
| | <u>300,015</u> | <u>(42,426)</u> |
| Cash and cash equivalents at end of financial year | | |
| Cash on hand | 584 | 67 |
| Cash at bank | 135,219 | 13,452 |
| Cash on deposit | <u>485,083</u> | <u>324,530</u> |
| | <u>620,886</u> | <u>338,049</u> |

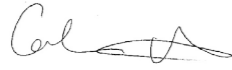
FINANCIAL COUNSELLING VICTORIA INC
ABN 89 498 543 075
STATEMENT BY MEMBERS OF THE BOARD

In the opinion of the Board the financial report as set out on pages 2 to 17:

- 1 Presents a true and fair view of the financial position of Financial Counselling Victoria Inc as at 30 June 2020 and its performance for the year ended on that date in accordance with Australian Accounting Standards.
- 2 At the date of this statement, there are reasonable grounds to believe that Financial Counselling Victoria Inc will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:

Chairperson



Colin Harte

Treasurer



David Balcombe

Dated this

18th day of September 2020

TOWARDS A VISION SHARED



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FINANCIAL COUNSELLING VICTORIA INC
A.B.N. 89 498 543 075

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Opinion

I have audited the accompanying financial report of Financial Counselling Victoria Inc (the Association), which comprises the balance sheet as at 30 June 2020, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the statement by the members of the Board.

In my opinion, the financial report of the Association is in accordance with *the Australian Charities and Not for Profits Commission Act 2012* and *the Associations Incorporation Reform Act 2012*, including:

- i. giving a true and fair view of the Association's financial position as at 30 June 2020 and of its performance for the year ended; and
- ii. complying with Australian Accounting Standards as per Note 1, *the Australian Charities and Not for Profits Commission Act 2012* and *the Associations Incorporation Reform Act 2012*.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. I am independent of the Association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled our other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the applicable legislation and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.



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As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.
- Conclude on the appropriateness of the responsible entities use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that I identify during my audit.

Auditor: Frederik Ryk Ludolf Eksteen

ASIC Registration Number: 421448

Address: Collins & Co Audit Pty Ltd
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Signature:

Date: 23 September 2020

